

***United States Court of Appeals
for the Second Circuit***



**APPELLANT'S
REPLY BRIEF**

75-7529

In The

United States Court of Appeals

For The Second Circuit

3/4/76
SCARVES BY VERA, INC.,

Plaintiff-Appellant,

vs.

TODO IMPORTS LTD. (INC.) ,

Defendant-Appellee.

On Appeal from the United States District Court for the
Southern District of New York

**REPLY BRIEF FOR
PLAINTIFF-APPELLANT**

ROGERS HOGE & HILLS

Attorneys for Plaintiff-Appellant

90 Park Avenue

New York, New York 10016

(212) 953-9200

Of Counsel

ALFRED P. O'HARA

JAMES B. SWIRE

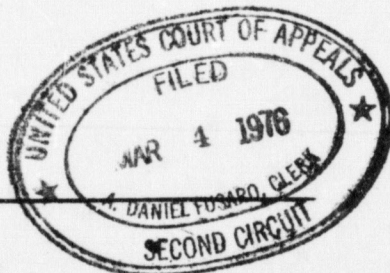
LILE H. DEINARD

WILLIAM R. LIBERMAN

41 East 42nd Street

New York, New York 10017

(212) 867-0270



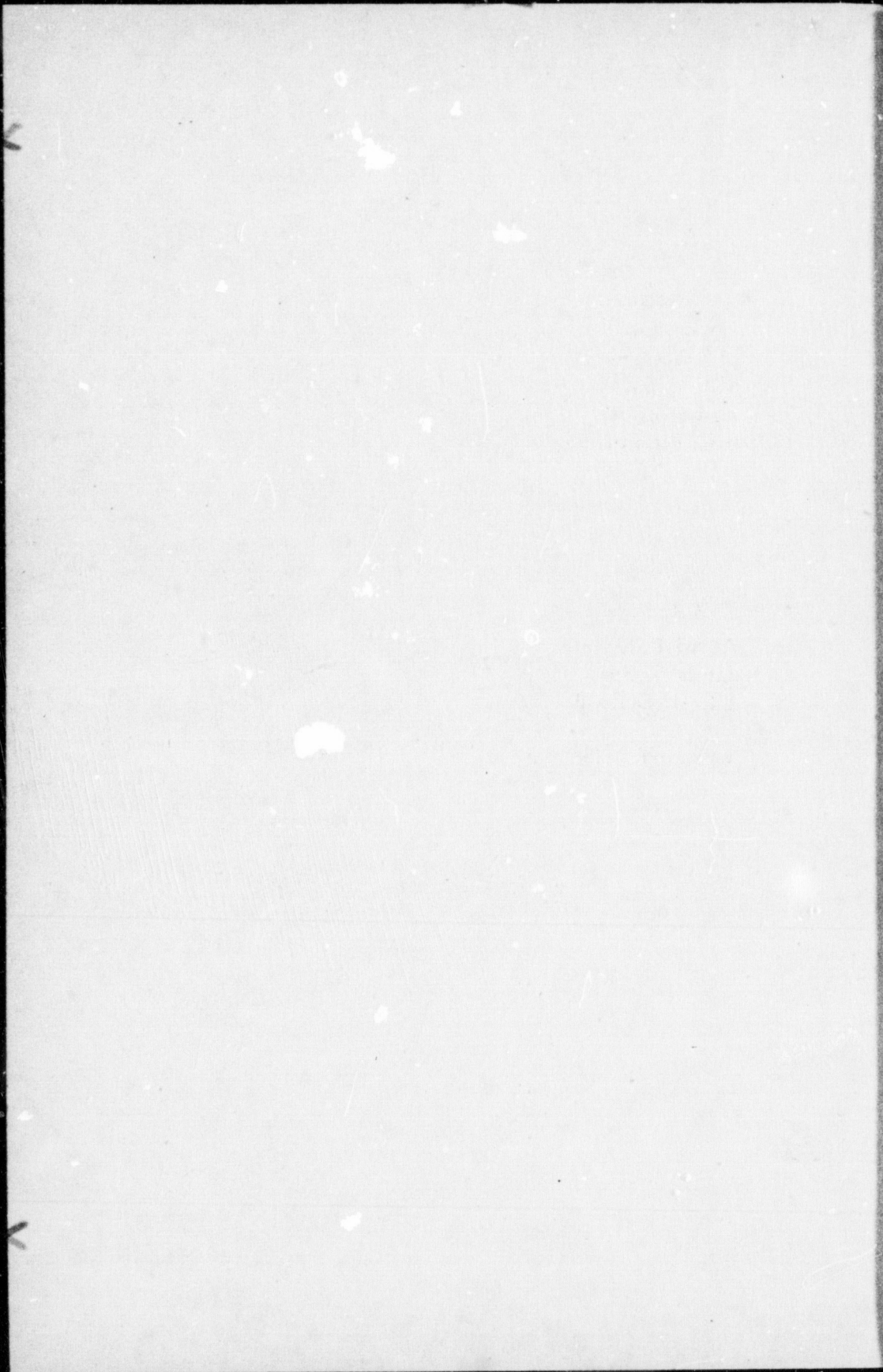


TABLE OF CONTENTS

	<i>Page</i>
I. Plaintiff's mark VERA has acquired secondary meaning and is a strong mark.	2
II. There is a likelihood of confusion between the marks of the parties.	7
III. There has been no past experience which would negate the likelihood of confusion.	12

TABLE OF CITATIONS

Cases Cited:

Anglo Fabrics Co. v. Fabriken Anglomag A/S, 282 F. Supp. 454 (D.D.C. 1968)	7, 11
Borg-Warner Corp. v. York-Shipley, Inc., 293 F.2d 88 (7th Cir. 1961), cert. denied, 368 U.S. 939 (1961)	17
Bunte Bros. v. Standard Chocolates Inc., 45 F. Supp. 478 (D. Mass. 1942)	4
Carter-Wallace Inc. v. Proctor & Gamble Co., 434 F.2d 794 (9th Cir. 1970)	18
Coffin v. Pres., etc., Grand Rapids Hydraulic Co., 136 N.Y. 655 (1893)	15

Contents

Page

Darling Shops, Inc. of Tennessee v. Brack, 95 F.2d 135 (8th Cir. 1938)	15
David Crystal, Inc. v. Estee Lauder, Inc., 167 U.S.P.Q. 411 (T.T.A.B. 1970), aff'd., 177 U.S.P.Q. 461, 476 F.2d 1373 (C.C.P.A. 1973)	8
David Crystal, Inc. v. Helene Curtis Industries, Inc., 168 U.S.P.Q. 124 (T.T.A.B. 1970), aff'd., 177 U.S.P.Q. 461, 476 F.2d 1374 (C.C.P.A. 1973)	8
David Crystal, Inc. v. Sharon Ray Corp., 167 U.S.P.Q. 699 (T.T.A.B. 1970), aff'd., 177 U.S.P.Q. 460, 476 F.2d 1372 (C.C.P.A. 1973)	8
Field Enterprises Educational Corp. v. Cove Industries, Inc., 297 F. Supp. 989 (E.D.N.Y. 1969)	7
Fleischmann v. Stern, 90 N.Y. 110 (1882)	15
Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73 (2d Cir. 1910)	7
General Motors Corp. v. Cadillac Marine & Boat Co., 226 F. Supp. 716 (W.D. Mich. 1964)	5, 6
Grocers Baking Co. v. Sigler, 132 F.2d 498 (6th Cir. 1942)	15

Contents

Page

Hall v. United States, 314 F. Supp. 1135 (N.D. Cal. 1970)	15
In re E. I. DuPont De Nemours & Co., 476 F.2d 1357 (C.C. P.A. 1973)	7
In re Helene Curtis Industries, Inc., 305 F.2d 492 (C.C.P.A. 1962)	6
J.C. Hall Co. v. Hallmark Cards, Inc., 340 F.2d 960 (C.C. P.A. 1965)	7
Jean Patou, Inc. v. Jacqueline Cochran, Inc., 201 F. Supp. 861 (S.D.N.Y. 1962), aff'd., 312 F.2d 125 (2d Cir. 1963)	17
Kelly v. St. Michael's Roman Catholic Church in City of Brooklyn, 148 App. Div. 767, 133 N.Y.S. 328, 332 (2nd Dept. 1912)	15
New York Life Ins. Co. v. Seighman, 140 F.2d 930 (6th Cir. 1944)	14, 15
Osage Oil & Refining Co. v. Chandler, 287 F. 848 (2d Cir. 1923)	15
R. Neumann & Co. v. Overseas Shipments, Inc., 326 F.2d 786 (C.C.P.A. 1964)	7

*Contents**Page*

Steak & Brew, Inc. v. Beef & Brew Restaurant, Inc., 370 F. Supp. 1030 (S.D. Ill. 1974)	11
Sun Valley Co. Inc. v. Sun Valley Mfg. Co., 167 U.S.P.Q. 304 (T.T.A.B. 1970)	11
Sweetarts v. Sunline, Inc., 380 F.2d 923 (8th Cir. 1967)	17
Triumph Hosiery Mills, Inc. v. Triumph Int'l. Corp., 308 F.2d 196 (2d Cir. 1962)	5
Tuvache v. Emilio Pucci Perfumes International, Inc., 263 F. Supp. 105 (S.D.N.Y. 1967)	17
Statute Cited:	
15 U.S.C. §1051	17
Other Authority Cited:	
Richardson on Evidence, §216, p. 191, 10th Ed. 1973	15

In The
United States Court of Appeals

For The Second Circuit

No. 75-7529

SCARVES BY VERA, INC.,

Plaintiff-Appellant,

vs.

TODD IMPORTS LTD., (INC.),

Defendant-Appellee.

*On Appeal From the United States District Court For the
Southern District of New York*

REPLY BRIEF OF PLAINTIFF-APPELLANT

Defendant's answering brief is a curious mixture of misstatement and misdirection as to the facts and issues with scant support in law. We reply herewith.

I. Plaintiff's mark VERA has acquired secondary meaning and is a strong mark.

Defendant does not challenge that, as a matter of law, there is a presumption that secondary meaning exists for plaintiff's registered mark. Thus, it is apparent that the District Court was in error in finding that plaintiff's mark had not acquired secondary meaning (295a). Had that presumption been applied properly, the Court would have recognized that a consumer, upon seeing products such as ladies' scarves, blouses, shawls, kerchiefs, aprons, coveralls, dress and sports shirts, trousers, dress pajamas, waistcoats, shifts, dresses, playsuits, skirts, tunics, tops, jumpsuits, tablecloths, napkins, hand towels, guest towels and bath towels, among others, sold under the mark VERA, would assume that they had emanated from plaintiff.

This secondary meaning and the strength of plaintiff's mark, are further documented by the extensive sales,¹ advertising and promotion of plaintiff's goods, as well as by the expert testimony presented at trial. Defendant's attempt to discredit plaintiff's advertising is unavailing. Defendant agrees that such advertising has been "extensive" (Def. Br., 12) but states "the effect of such advertising depends heavily upon its content." *Ibid.* Whatever the intended implication of this statement, the record establishes that plaintiff's advertising has been widespread and has appeared in such prestigious national magazines as *Vogue*, *Town & Country*, *Harpers Bazaar*, *Mademoiselle*, *The New Yorker* and *The New York Times*

1. Plaintiff's sales, ranging from \$10.5 million in 1966 to over \$21 million in 1973 (E111) represent wholesale, not retail, figures (76a).

Magazine. Moreover, the high quality and fashion image of the advertisements themselves is apparent on the face thereof. (See, for example, E14-28, 32-40, 53-54, and 90-91.)

Defendant's further suggestion that amounts spent on "cooperative" advertising give "questionable" value (Def. Br., 12), is also unavailing. Advertising serves to expose the public to the trademarked product. This function is accomplished no matter who pays for or sponsors the advertising, whether retailer or manufacturer or both. Moreover, here, it cannot be denied that advertising for plaintiff's VERA products sponsored by such well-known and high quality retailers as Lord & Taylor, Bloomingdale's and B. Altman & Co. in New York, Jordan Marsh in Boston and Miami, Julius Garfinckel and The Hecht Co. in Washington, D.C., Bullock's and I. Magnin & Co. in California, Higbee's in Cleveland, Marshall Field in Chicago, Hudson's in Detroit, Rich's in Atlanta and Strawbridge & Clothier in Philadelphia and Wilmington, to name but a few, serves to enhance the quality, fashion image of plaintiff's VERA goods in the mind of the public.

We do agree with defendant that the strength of plaintiff's VERA mark "can only be decided after reviewing all the evidence, much of which is documentary." (Def. Br., 12). We invite such review, especially of Group Exhibits 2, 3, 4 and 5 which represent specimens of plaintiff's advertising and promotion over the years.²

Defendant concedes that plaintiff's mark "VERA may have won general recognition as signifying plaintiff's scarves" (Def.

2. Only a portion of these items have been reproduced in the Exhibit Volume. The complete portfolios will be made available before or at oral argument.

Br., 14), and throughout its brief implies that plaintiff seeks relief on that basis alone. But defendant's concession is far too limited and plaintiff's grounds for relief are far broader. We submit that the evidence establishes, consistent with the legal presumption of secondary meaning, that the renown of plaintiff's mark extends well beyond scarves to a full line of dresses, sportswear and designer home accessories.

We further submit that defendant has failed to rebut this presumption of secondary meaning and that its arguments as to the alleged weakness of plaintiff's mark are insubstantial.

For example, neither defendant nor the Court below has cited authority for their proposition that plaintiff's mark is weak merely because it was the given name of Mrs. Neumann. The fact and the law is that "VERA" as applied to clothing and other goods is arbitrary and distinctive. See *Bunte Bros. v. Standard Chocolates Inc.*, 45 F. Supp. 478 (D. Mass. 1942).

Furthermore, defendant's entire evidence of "the commonality" found by the District Court consists of five businesses in the Manhattan phone book and six distinguishable trademark registrations (Def. Br., 10-11). Certainly, the existence of five local businesses who have the word "Vera" in their trading names is utterly insufficient to demonstrate "commonality" in the face of proof of plaintiff's long, widespread and exclusive usage of its mark VERA.³ No evidence

3. One would expect that the telephone directory of any major city would contain numerous listings for local businesses including well-known trademarks such as the name "Ford." This is exemplified by the Manhattan White Pages. But the presence of such listings does not mean that FORD as used by the Ford Motor Company is a weak mark.

was offered as to the extent or duration of such uses except as to Mrs. Von Eul of Vera Custom Fashions whose business location is on the third floor of a hotel and who has never advertised to the public (224a-225a). She testified that she regularly received calls intended for plaintiff, the exact type of confusion one would expect to occur (223a).

Similarly, six trademark registrations, five of which contain additional distinguishing words and the only identical one being for foods, are hardly sufficient to suggest that plaintiff's mark is in widespread use by others. Even if it be assumed from the fact of registration that they were once used, there is still no evidence as to the extent of any use or advertising. Moreover, there is literally no proof that any such marks are still in use. All we know of VERA for foods is that it was renewed in 1961 (E126); of VERA SMART that it was due to expire in September 1973 (E127); of VERA STEWART and VERA-SHARP that affidavits of use thereof were filed in 1963 (E128-129); of VERA CRUZ and VERA HORN that affidavits of use were filed in 1961 (E131-132). (Another registration introduced by defendant for the mark MEDICAMENTA VERA (E130), shows on its face that it has long since been cancelled for lack of use.)

Defendant's reliance on *Triumph Hosiery Mills, Inc. v. Triumph Int'l. Corp.*, 308 F.2d 196, 200 (2d Cir. 1962) in support of its proposition that the existence of six third-party registrations herein is evidence of the "weakness" of plaintiff's mark is seriously misplaced for in that case there were 207 registrations for the mark TRIUMPH or close equivalents of it, and over one hundred corporations incorporated in New York State alone whose names began with "Triumph." Nor is *General*

Motors Corp. v. Cadillac Marine & Boat Co., 226 F. Supp. 716, 744 (W.D. Mich. 1964) apposite to the present case, for the Court's finding therein that CADILLAC as a mark was entitled to limited protection rested principally upon its inherent infirmity as an historical and geographic name which had been widely adopted and used as the name of parks, forts, squares, streets, cities and lakes in Michigan and the middlewest as well as for business enterprises and for innumerable products ranging from dog food to stainless steel flatware. Thus, in neither case did the Court rely on mere third-party registrations as evidence of the weakness of the mark at issue.

In this connection, we reiterate that the District Court's consideration of the third-party registrations without proof of use as evidence of "commonality" was erroneous. In addition to the cases cited in our main brief (Pl. Br., 23), we note the long-standing rule in the Court of Customs and Patent Appeals, that:

"We will not assume any knowledge on the part of the purchasing public of mere registrations in the Patent Office and neither will we assume that marks are in continuing use, so as to have had any effect on the mind of the purchasing public, merely because they have been registered.

* * *

We do not see that the existence of these [third party] registrations has any bearing on the likelihood of confusion. . . ." *In re Helene Curtis Industries, Inc.*, 305 F.2d 492, 593-594 (C.C.P.A.

1962); *J.C. Hall Co. v. Hallmark Cards, Inc.*, 340 F.2d 960, 964 (C.C.P.A. 1965); *R. Neumann & Co. v. Overseas Shipments, Inc.*, 324 F.2d 786, 790 (C.C.P.A. 1964).

Only third-party usage, not registration, is to be considered on the issue of likelihood of confusion, *In re E.I. DuPont De Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973).

In sum, there is substantial evidence as to the strength of plaintiff's VERA mark. Nothing in the record serves to rebut that evidence and the District Court was incorrect on the law and facts in finding that plaintiff's mark was weak.

II. There is a likelihood of confusion between the marks of the parties.

Trademark law, both statutory and common law, serves not only to protect the proprietary interests of the owner of a mark, but to prevent confusion of the public. *Florence Mfg. Co. v. J.C. Dowd & Co.*, 178 F. 73, 75 (2d Cir. 1910); *Field Enterprises Educational Corp. v. Cove Industries, Inc.*, 297 F. Supp. 989, 994 (E.D.N.Y. 1969). Thus, the critical question here is as to the likelihood of confusion when purchasers, familiar with plaintiff's VERA goods, encounter VERA cosmetics. We submit that in such instances confusion is not only likely but probable and the District Court's finding to the contrary "was a direct outgrowth of its failure to accord [VERA] sufficient strength as a trademark." *Anglo Fabrics Co. v. Fabriken Anglomac A/S*, 282 F. Supp. 454, 458 (D.D.C. 1968).

In our main brief, we set forth the evidence and arguments establishing the close relationship of clothing and fragrances and cosmetics. Defendant has offered no evidence which would even tend to establish that the product lines are not closely linked in the public mind.

Nor has it offered any law to counter the several cases we cited where the relationship was recognized. Rather, it refers the Court to the *David Crystal* cases in the Court of Customs and Patent Appeals (Def. Br., 24). But a reading of those cases reveals that they stand squarely and primarily for the proposition that wearing apparel and cosmetics are closely related goods. Relief was denied on other grounds, namely that the marks GOLD CRYSTAL, FIRE CRYSTAL, OCEAN CRYSTAL, CRYSTAL PAVILION and ICE CRYSTALS for cosmetics and toiletries were not confusingly similar to the mark CRYSTAL for wearing apparel because the word "crystal" as applied to cosmetics possessed a dictionary meaning, was descriptive, frequently used, and therefore lacked distinctiveness in the cosmetics field. *David Crystal, Inc. v. Sharon Ray Corp.*, 167 U.S.P.Q. 699 (T.T.A.B. 1970), *aff'd*, 177 U.S.P.Q. 460, 476 F.2d 1372 (C.C.P.A. 1973); *David Crystal, Inc. v. Estee Lauder, Inc.*, 167 U.S.P.Q. 411 (T.T.A.B. 1970), *aff'd*, 177 U.S.P.Q. 461, 476 F.2d 1373 (C.C.P.A. 1973). *David Crystal, Inc. v. Helene Curtis Industries, Inc.*, 168 U.S.P.Q. 124 (T.T.A.B. 1970), *aff'd*, 177 U.S.P.Q. 461, 476 F.2d 1374 (C.C.P.A. 1973). Defendant's reliance on these cases is therefore entirely misplaced.

Defendant does not dispute that numerous well-known fashion marks have moved into the field of cosmetics and fragrances. This, of course, further proves that the public is

accustomed to seeing goods in both fields emanating from the same source. Rather, defendant makes a great effort to dispute that plaintiff's mark is the equivalent of these other well-known fashion marks. Defendant's argument is irrelevant as well as incorrect. It is irrelevant because the true issue is whether or not clothing and fragrances and cosmetics are related product lines; not whether VERA is as "high" a fashion mark as say GUCCI or HERMES.

As defendant concedes (Def. Br., 16, n.15), GUCCI and HERMES are not couturiers. But, they are accepted as fashion marks and have moved into fragrances (111a, 118a). Defendant further concedes, as the record establishes, that many of the "high" fashion marks have moved into mass production (Def. Br., 16; 154a-155a, 174a-176a). Obviously then, to achieve a reputation as a "high" fashion mark, there is no need to be a couturier in the technical sense and such reputation is not inconsistent with the sale of medium priced goods or of sportswear and leisure fashions. Within the broad category of such marks, arguments as to which of them represent the "highest" fashion are beside the point.

Furthermore, defendant's argument is simply incorrect and at variance with the evidence. The fact is plaintiff's mark VERA was shown to have achieved an equivalency with such fashion marks as BLASS, ST. LAURENT and GERNREICH.⁴ That

4. Defendant's attempt at page 17 of its brief to reduce the significance of plaintiff's fashion exhibitions at major stores is not supported by the facts. The Jordan Marsh brochure (E96) recites that there were daily fashion shows "in dress departments, sportswear, lingerie" of VERA goods as part of a week-long promotion of VERA products. And, as with the products of other well-known fashion marks, many stores have set up separate "boutiques" of VERA fashions (50a-51a, E51).

equivalency is proven not only by the testimony of the three experts, but by various newspaper and magazine articles which refer to VERA as a fashion mark in the context of discussion of these other well-known marks. For example, Sidney Striker, a marketing consultant who has specific expertise in the cosmetic field (137a), testified:

“Q. How did you regard the Vera name?

A. To me Vera meant high fashion and then chic and a name that had definite possibilities that one could attach to fragrances and cosmetics in view of what had been done and is being done, and was being done at that time with names of similar character throughout the cosmetic and fragrance industry.

Q. Do you know fashion names as part of your occupation?

A. Yes.

Q. Could you perhaps give us an idea of comparable names, names in which you have perhaps specific familiarity.

THE COURT: Names comparable to Vera.

MR. DAVIS: Yes, your Honor, in the same field.

A. In the same field?

Q. Or on the same order, perhaps.

A. Okay. Bill Blass, Chanel, Eve St. Laurent, Gucci, Emilio Pucci, Pierre Cardin, Hattie Carnegie, Nettie Rosenstein, Adele Simpson, Lanvin, Madeline de Rausch." (139a-140a).

Quotations from various newspaper and magazine articles about VERA appear at pages 26-28 of our main brief and are to the same effect. Review of them indicates that, contrary to defendant's assertion (Def. Br., 21), they are "in a fashion context." Nor do these articles, which were received in evidence without objection from defendant, constitute hearsay. The mere fact of their appearance in widely circulated journals establishes that a segment of the public has been exposed to them. This, after all, is how recognition is achieved. *Steak & Brew, Inc. v. Beef & Brew Restaurant, Inc.*, 370 F. Supp. 1030, 1033-1034 (S.D. Ill. 1974); *Anglo Fabrics Co. v. Fabriken Anglomag A/S*, *supra* at 457-458; *Sun Valley Co. Inc. v. Sun Valley Mfg. Co.*, 167 U.S.P.Q. 304, 306 (T.T.A.B. 1970).

On this state of facts, where plaintiff's mark is well-known for apparel and related goods and where other apparel marks

have already moved into fragrances and cosmetics, we submit that the likelihood of confusion is high.⁵ Defendant concedes that a purchaser of VERA cosmetics "might be reminded of plaintiff in passing." (Def. Br., 15). Given the close relationship of apparel, fragrances and cosmetics, that recollection will in all likelihood lead to confusion.

III. There has been no past experience which would negate the likelihood of confusion.

Although defendant itself only began distributing products of the Spanish company in 1970 (29a-34a), defendant seeks to establish that the Spanish manufacturer had been exporting perfumes and cosmetics under the mark VERA to the United States since 1962, and claims that this long use without confusion demonstrates a lack of likelihood of present confusion (Def. Br., 6, 25).

Viewing the evidence in the light most favorable to defendant, the record is clear that there were at best *de minimis* sales by the Spanish manufacturer from 1962 to 1970 involving packaging which featured as trademarks the notations SIGLO DE ORO, VENTOLERA and MANDALAY (E160). The packaging might also have contained the word "Vera," but only in small type and as part of the phrase "Vera (Espana)."

5. The record includes one instance of actual confusion, at Gimbels in New York, where the goods of the parties were sold on the same floor in close proximity (130a-134a). Defendant accepted this testimony at trial and did not seek to attack it on cross-examination. Accordingly, its belated quibbling with "the precise language used" during the incident (Def. Br., 26) is totally unavailing. Confusion occurred; more may be anticipated.

Defendant does not dispute that the total sales of the Spanish manufacturer from 1962 through 1964 amounted to under \$4,000 and that sales from 1965 through 1970 averaged about \$5,000 per year. Also, defendant now admits that uses prior to 1969 of the word "Vera" were always in conjunction with what it euphemistically describes as "subbrand marks such as SIGLO DE ORO" (Def. Br., 29), although even defendant concedes that SIGLO DE ORO was "a more prominent mark" (Def. Br., 31).

Defendant's insistence that this use of "Vera (Espana)" was a trademark use is incorrect. We note again that defendant, which purports to stand "in the shoes of its supplier" (Def. Br., 5, n.5), affirmatively and repeatedly pleaded in its answer herein that the only use of VERA as a trademark was in connection with men's cologne. Thus, paragraph 9 of the Complaint alleged:

"9. Defendant's proposed use of said word as a trademark came to plaintiff's attention on or about July 30, 1970 and plaintiff promptly protested in writing to defendant on August 3, 1970 against such proposed use but defendant ignored such protest; on or about June 9, 1971 plaintiff for the first time learned that defendant actually had begun to sell a toiletries line under the word VERA as a trademark, and on June 10, 1971 plaintiff repeated its protest in writing to defendant but the latter has rejected such request and has refused to discontinue use of said word."

Defendant, for its answer thereto, pleaded:

"Denies, except that defendant admits that it used the surname 'VERA' in different display as a trademark for cologne for men." (13a).

And, as an affirmative defense, defendant pleaded:

"(c) The notation 'VERA,' except in the case of cologne for men (colonia para hombres), was used to indicate the manufacturer and not the product, which product was identified by such trademarks as 'SIGLO DE ORO' . . ." (14a).

* * *

"(k) The only use made by defendant of 'VERA' as a trademark is for cologne for men . . ." (15a).

Significantly, while defendant pleaded that the Spanish manufacturer had long "been using the notation 'VERA' to indicate the origin of the goods . . ." (15a), it nowhere alleged that such prior trademark use had been made in the United States, except to the extent (ultimately unproven) that travelers from Spain may have brought such goods into this country.

Defendant's answer has never been amended and its averments stand as formal judicial admissions. It is well-established that an admission in an answer is conclusive proof of the facts stated so that the other party may rely on that admission and need not offer evidence on such matters. *New*

York Life Ins. Co. v. Seighman, 140 F.2d 930, 933 (6th Cir. 1944); *Grocers Baking Co. v. Sigler*, 132 F.2d 498, 501 (6th Cir. 1942); *Darling Shops, Inc. of Tennessee v. Brack*, 95 F.2d 135, 141 (8th Cir. 1938); *Osage Oil & Refining Co. v. Chandler*, 287 F. 848, 852 (2d Cir. 1923); *Hall v. United States*, 314 F. Supp. 1135, 1137-1138, n.3 (N.D. Cal. 1970). The law in New York is to the same effect, *Coffin v. Pres., etc., Grand Rapids Hydraulic Co.*, 136 N.Y. 655, 657 (1893); *Fleishchman v. Stern*, 90 N.Y. 110, 114 (1882); *Kelly v. St. Michael's Roman Catholic Church in City of Brooklyn*, 148 App. Div. 767, 771, 133 N.Y.S. 328, 332 (2nd Dept. 1912); *Richardson on Evidence* (10th Ed. 1973), 216, p. 191.

Furthermore, the evidence presented at trial is entirely consistent with defendant's judicial admissions. None of the records introduced by defendant shows commercial shipment of a product identified by the word "Vera" prior to September, 1970, after plaintiff's initial protest (20a), when an order was placed for Vera cologne (E197-198).⁶

Similarly, Mrs. Feldchtein, of Grade Distributors,⁷ (later Vera Cosmetics Ltd.) which operates out of the witness' home, failed to introduce any catalogs, packages or records which would establish actual use and did not offer any testimony from which it could be established that there had been usage of VERA as a trademark prior to 1969. In her direct testimony, she referred to defendant's packaging (275a-277a) which was already

6. Exhibit ES (E192) shows a free shipment of samples of "colonia VERA" valued at \$6.50 in 1966. The fact that it is a shipment of samples suggests that the product had not yet been introduced commercially.

7. Defendant concedes that Mrs. Feldchtein's company was known as Grade Distributors until 1968 (Def. Br., 37).

in evidence (135a-136a) and, when forced to be precise on cross-examination, she conceded, "in connection with the exhibits that have previously been marked, all of the exhibits, samples of [her] importations" that there had been no trademark use prior to 1969 (279a).

In sum the record establishes, and defendant has not shown otherwise, that from 1962 to 1970, the Spanish manufacturer did no advertising, and made only limited shipments of cosmetic and toiletry products which were identified by trademarks such as SIGLO DE ORO, VENTURA and MANDALAY. On these facts, even assuming that the manufacturer's name appeared on these products, it was clearly error for the District Court to find that plaintiff's lack of awareness of these activities "erodes any argument as to the [present] likelihood of confusion" (296a).

While the use by defendant and its predecessors prior to 1969 of the word "Vera" was too insignificant to permit any inference against a present likelihood of confusion, the deliberate escalation in the prominence and extent of such use since defendant's appearance on the scene in 1970, certainly suggests that such likelihood has increased.

As soon as defendant commenced to advertise, plaintiff for the first time became aware of defendant and made prompt protest (20a). Defendant ignored such protest and in the fall of 1970 launched a daily advertising campaign in the Spanish language newspaper, *El Tiempo*, featuring teaser ads for "VERA" (E176, Ex. BU-CH, which campaign culminated in a full page advertisement for the full line of VERA products

(E177). Then, on May 6, 1971, long after plaintiff's protest, the Spanish company sought for the first time to register VERA as a trademark in this country.⁸ Also, since the institution of this suit, defendant has significantly expanded the geographic scope of its trading area (227a) and has increased its use of VERA on its packaging (E106, E137).

These facts bring into serious question defendant's claim of good faith. They also establish that defendant's marketing practices have changed so as to increase the likelihood of confusion. In this equity case, that likelihood must be weighed as of the time of trial with regard to prospective purchasers, see *Jean Patou, Inc. v. Jacqueline Cochran, Inc.*, 201 F. Supp. 861, 866 (S.D.N.Y. 1962), *aff'd*, 312 F.2d 125, 127 (2d Cir. 1963), not, as defendant suggests (Def. Br., 27) at whatever time defendant entered the field.

Defendant's argument that the likelihood of confusion should be weighed as of 1962 is not supported by the two cases it cites. In *Borg-Warner Corp. v. York-Shipley, Inc.*, 293 F.2d 88 (7th Cir. 1961), *cert. denied*, 368 U.S. 939 (1961), which involved simultaneous use of the geographic name YORK dating back to 1922-1923, the Court did not measure the likelihood of

8. This is shown on the notice in the Official Gazette of the United States Patent Office reproduced at page 40 of defendant's brief. Defendant's statement that plaintiff's mark was not cited against this application (Def. Br., 7) is not supported by any records or testimony. In any event, registration has not been granted and the *ex parte* action of a trademark examiner merely passing the mark to publication so that it can be opposed is not entitled to any weight by this Court. *Sweetarts v. Sunline, Inc.*, 380 F.2d 923, 925, n.1 (8th Cir. 1967); *Tuvache v. Emilio Pucci Perfumes International, Inc.*, 263 F. Supp. 105, 106 (S.D.N.Y. 1967). Also, query whether the Spanish Company revealed plaintiff's protest when it filed its application, claiming exclusive rights as it is required to do under 15 U.S.C. §1051.

confusion as of 1922-1923, but obviously did so as of the time of trial, taking account of recent developments in the marketplace in modifying the District Court's injunction. 293 F.2d at 94. Its recital of the history of use of the term YORK by the parties was necessary to determine the merits of the defenses of the parties as, in fact, it found plaintiff guilty of laches.

Carter-Wallace Inc. v. Proctor & Gamble Co., 434 F.2d 794 (9th Cir. 1970) is also not apposite. There the product lines were the same and the case involved plaintiff's failure to show secondary meaning, *i.e.*, trademark rights, as of the time defendant commenced use of its mark. The issue of secondary meaning is, of course, different from that of likelihood of confusion. At bar, secondary meaning has been established. Plaintiff's rights go back to the 1940's and its initial trademark registration issued in 1959, well prior to even the first use now claimed by defendant.

No matter what time period is utilized to measure the right to relief, there is a clear likelihood of confusion which requires, for the protection of plaintiff and the public, the issuance of an injunction herein.

Respectfully submitted,

ROGERS, HOGE & HILLS
Attorneys for Plaintiff-Appellant

Of Counsel:

Alfred P. O'Hara

James B. Swire

Lile H. Deinard

William R. Liberman

A 202 Affidavit of Personal Service of Papers
UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

LUTZ APPELLATE PRINTERS, ..

SCARVES BY VERA, INC.,
Plaintiff- Appellant,

- against -
TODO IMPORTS LTD. (INC.,)
Defendant- Appellee,

Index No.

Affidavit of Personal Service

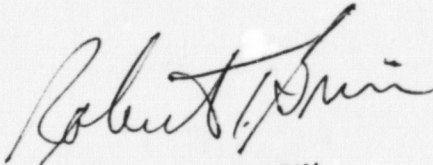
STATE OF NEW YORK, COUNTY OF NEW YORK

ss.:

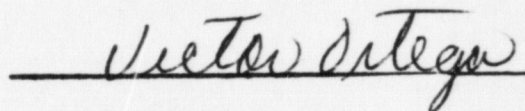
I, Victor Ortega, being duly sworn,
depose and say that deponent is not a party to the action, is over 18 years of age and resides at
1027 Avenue St. John, Bronx, New York
That on the 4th day of March 1976 at 230p Park Avenue, New York, New York
deponent served the annexed Reply Brief upon

Shenien & O'Connor
the Attorneys in this action by delivering ⁵ a true copy thereof to said individual
personally. Deponent knew the person so served to be the person mentioned and described in said
papers as the herein,

Sworn to before me, this 4th
day of March 19 76



ROBERT T. BRIN
NOTARY PUBLIC, State of New York
No. 31-0418950
Qualified in New York County
Commission Expires March 30, 1977



VICTOR ORTEGA